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BANKRUPTCY COURT
DISTRICT OF OREGON

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July 28, 2010

Clerk of the Court
United States Bankruptcy Court
1001 SW 5th Ave # 700
Portland, OR 97204

RE: Case Number 10-37004-tmb7
Champion Sports Bar, aka G & C Teopfer
P.O. Box 2872
La Pine, OR 97739

Please be advised that the dishwashing machine at the above location belongs to Auto-Chlor System and is not to be considered an asset of the Debtor. Enclosed is a copy of our agreement for the equipment.

We have included an original and two copies of this letter and attachments. Please acknowledge your receipt of our notice by return mail in the envelope enclosed.

If you have any questions, please feel free to contact us at the above address or phone.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Austin Hubbard".

AUTO-CHLOR SYSTEM

Enclosures
Self Addressed Stamped Envelope

Auto-Chlor
SYSTEM

AGREEMENT, made this date

210-1895(res)
Dishwashing Machine Agreement

between AUTO-CHLOR SYSTEM of OREGON and GREG TORPFFER LLC DBA CHAMPION SPORTS BAR & GRILL
and 386 N. MAIN ST. PORTLAND 97207 hereinafter called "Customer."

1. Auto-Chlor System agrees to furnish an automatic dishwashing machine, Serial No. AF-45836, and all Detergent, Rinse Aid and Sanitizing compounds necessary for washing dishes. Any excess Detergent and Sanitizing compounds used will be charged to Customer at current prices and Customer further agrees to return all empty chemical containers or pay for them at current prices. Customer agrees to pay a fixed amount of \$175.00 at the beginning of each four (4) week period. Customer further agrees to pay an additional amount of 6.9 cents per cycle for all cycles washed in excess of 1,000 during the four (4) week period (determined by counter attached to machine). Customer agrees to pay applicable sales taxes. This agreement shall last for 65 four-week periods (five years). At the end of the total term, this agreement automatically renews itself for another period of 52 weeks on each annual anniversary unless either party gives the other party at least two four-week periods (56 days) notice in writing of its election not to renew the agreement.

2. Auto-Chlor System reserves the right to adjust prices if necessary. However, if Auto-Chlor System adjusts prices, the Customer may terminate this agreement by giving Auto-Chlor System two four-week periods (56 days) notice in writing to that effect, so long as that notice is given within twenty-eight (28) days after the price increase takes effect. If customer becomes delinquent in payment, Auto-Chlor System may, at its option, elect to interrupt the operation of the automatic dishwashing machine without notice, and/or, may elect to terminate this agreement by giving the customer seven days written notice of its election to do so. Upon such election, Customer shall owe Auto-Chlor System all back payments plus liquidated damages of the fixed amount and for the term set forth in paragraph 1 above. Upon Auto-Chlor System's election to terminate this agreement for non-payment, the Customer agrees voluntarily to surrender possession of the automatic dishwashing machine to Auto-Chlor System, and Auto-Chlor System shall have the right to remove the automatic dishwashing machine from the Customer's premises. Auto-Chlor System's election to terminate should not be construed as a waiver of any other rights Auto-Chlor System may have under this Agreement.

3. Auto-Chlor System will deliver the machine to Customer's place of business and will advise as to installation of the unit but Customer must arrange for necessary plumbing connections, sheet metal work, electrical work and racks at his own expense. Auto-Chlor System will thoroughly service the machine at regular intervals and supply all parts necessary for proper maintenance. Emergency service will be furnished free of charge.

4. The automatic dishwashing machine shall remain the property of Auto-Chlor System and Customer shall not transfer or encumber the machine, deliberately deface or damage the machine, assign this agreement, remove, alter or deface any numbers or description of the machine, or remove the machine from the location specified above or permit anyone other than its regular employees in the regular course of its business to use the machine.

5. Auto-Chlor System shall not be held liable for any damages by reason of failure of equipment to operate or faulty operation of equipment, nor be responsible for any direct consequential damage or losses resulting from the use or operation of furnished equipment.

6. In the event that it becomes necessary for Auto-Chlor System to employ attorney(s) to enforce collection of the sums due hereunder, or to enforce any of the agreements herein contained or to remove the dishwashing machine, Customer agrees to pay the reasonable attorney's fees, costs and expenses incurred by Auto-Chlor System in connection therewith. Should any part of this agreement be deemed unenforceable by a Court, the remainder of this Agreement remains in full force and effect.

7. Should Customer disconnect or remove automatic dishwashing machine or otherwise attempt to unilaterally terminate this agreement, except as set forth above, then Customer shall remain responsible for the payment of the fixed amount set forth above for the entire term of this Agreement.

8. Customer agrees to provide Auto-Chlor System with the name and address of the owner of the property upon which Customer's business is located and inform Auto-Chlor System of any change of ownership of the property so that Auto-Chlor System can give written notice to the landlord of Auto-Chlor System's ownership of the automatic dishwashing machine.

9. Auto-Chlor System may impose an energy surcharge on each invoice to offset petroleum or utility based increases in its cost of goods, vendor or transport energy surcharges, and/or fuel cost increases. Energy surcharge fees will not be imposed in any markets where the retail cost average of Regular Gasoline is below \$2.00 per gallon or the retail cost average of Diesel Fuel is below \$2.00 per gallon. Energy surcharges may be adjusted periodically depending on market conditions.

CHAMPION SPORTS BAR & GRILL
Customer's Trade Name

GREG TORPFFER MEMBER
by (signature)

541-4471980
Print Name & Title
Customer's Phone Number

LLC
Customer's Federal ID# (SS# or EIN)

Type-Sole Prop., Partnership, or Corp.

OREGON
Auto-Chlor System of

Greg Wolfe
by (signature)

503-2501140
Local Sales & Service Phone Number

JOHN NAUER
Customer's Building Owner's Name

541-4197230
Customer's Building Owner's Address

Customer's Building Owner's Phone Number

Guaranty

For consideration received, the undersigned ("Guarantor") hereby guarantees to Lessor timely payment and full performance by Lessee of all obligations of Lessee under the above lease including expenses of collection thereof, including attorney's fees and court costs and also of all expenses including attorney's fees and court costs incurred in enforcing this guaranty. Guarantor further authorizes Lessor to investigate Guarantor's credit capacity and history Lessor and Lessee may by subsequent agreement add, delete, increase, decrease, or otherwise alter any of their rights and obligations as to each other without notice to or consent from guarantor and without in any way affecting the liability of Guarantor hereunder, nor shall Guarantor's liability be affected by Lessee's assignment of the lease or sublease of any Equipment. Notice of acceptance of this guaranty as well as all demands, presentments, notices of protest and notices of every kind or nature including those of any action or nonaction on the part of Lessee, Lessor or any other party are hereby waived upon any default of Lessee. Lessor may, at its option proceed directly and at once, without notice against Guarantor to collect and recover the full amount hereby guaranteed or any portion thereof, without proceeding against Lessee or any other person or exercising of any other remedy available to Lessor whatsoever. Guarantor thereby waives the pleading of any statute of limitations as a defense to Guarantor's obligations hereunder to the full extent permitted by law. The invalidity or unenforceability of the above lease as to Lessee for whatever reason shall not affect the enforceability of this guaranty. If more than one guarantor, obligation of each shall be joint and several.

If the equipment is not returned at the end of the term of the lease, or if the equipment is not returned after Lessee has defaulted in any manner specified in the lease, and has failed to cure such default after a reasonable period of time, the undersigned personally guarantees the fair market value of said equipment at the commencement of the lease which is \$ 1800, to be decreased 15 % for each month of the lease.

Dated as of the date of the lease

Greg Wolfe
WITNESS

Greg Wolfe
GUARANTOR (Individual) SIGNATURE

GREG TORPFFER
GUARANTOR (Individual) PRINT